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SIDE BY SIDE REVIEW  
OF THE  
COMMERCIAL SPACE  
LAUNCH AGREEMENTS

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U.S. - RUSSIAN  
COMMERCIAL  
SPACE LAUNCH  
AGREEMENT

U.S. - PRC  
COMMERCIAL  
SPACE LAUNCH  
AGREEMENT

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S  
REPUBLIC OF CHINA REGARDING INTERNATIONAL TRADE  
IN COMMERCIAL LAUNCH SERVICES

AGREEMENT BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND  
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA  
REGARDING INTERNATIONAL TRADE IN COMMERCIAL  
SPACE LAUNCH SERVICES

The Government of the United States of America and the  
Government of the Russian Federation (hereinafter the "Parties"),  
Recalling the contributions of all space-faring nations in  
developing space launch industries,  
Taking note of the importance of access to space for  
peaceful purposes,  
Recognising the utility of developing multilateral  
principles for government involvement in commercial space launch  
activities,  
Bearing in mind that the Russian space launch sector is in  
the process of transition to operation based on market  
principles, and  
Desiring to facilitate early Russian entry into the  
international commercial space launch market in a manner that  
encourages market-oriented reform in the Russian economy,  
including its space-launch sector, permit Russian entities to  
offer commercial space launch services to international customers  
at fair and reasonable prices, consistent with market principles,  
and does not disrupt the international market for commercial  
space launch services,  
Have agreed as follows:

1. **PURPOSE**  
The Government of the United States of America (U.S.) and  
the Government of the People's Republic of China (PRC) have  
entered into this Memorandum of Agreement (Agreement), of which  
the attached Annex is an integral part, to address certain issues  
regarding International trade in commercial launch services  
including entry in an appropriate manner of the PRC into the  
international market for commercial launch services.
2. **TRADE ISSUES AND MARKET ENTRY**  
The Delegation of the People's Republic of China and the  
Delegation of the United States of America held two rounds of  
negotiations in Beijing and Washington, D.C. As a result of  
these discussions, the parties have agreed that certain measures  
are appropriate to address certain issues regarding international  
trade in commercial launch services, including entry in an  
appropriate manner of PRC providers of commercial launch into the  
international market for commercial launch services. Accordingly,  
the U.S. and the PRC have agreed as follows:
  - a. The U.S. and the PRC support the application of market  
principles to international competition among providers of commercial  
launch services, including the avoidance of "intra-lost pricing".
3. **Appropriate for first agreement but not for a follow-on agreement**
4. **Reads more like a reporting cable instead of a formal agreement**

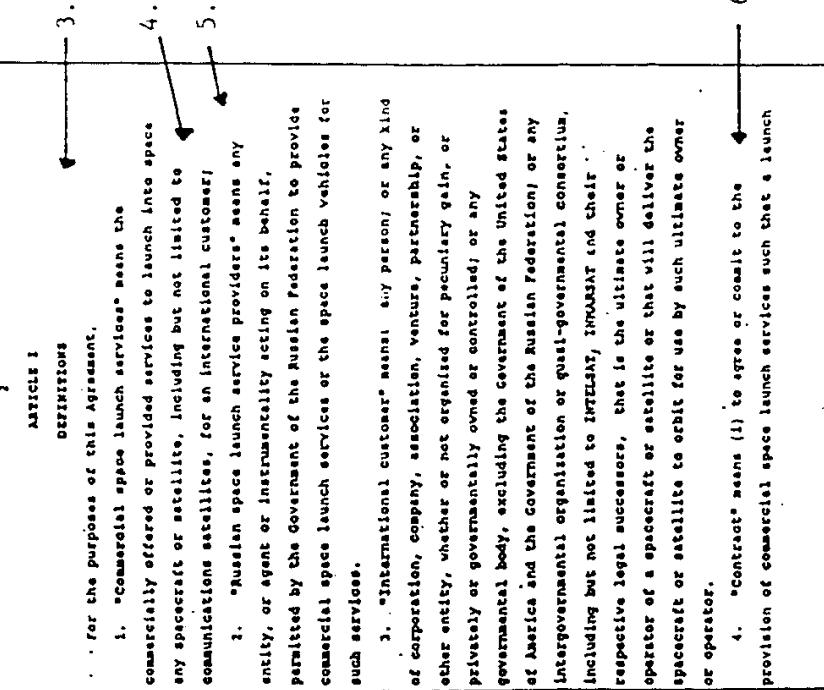
Commercial Space Launch Agreement (CSLA)

1. Statement is appropriate in that this is the first CSLA  
with Russia
2. Specifies launch services to "international customers"  
early in the Agreement

1. Clear statement of purpose
2. Definitions are outlined in an attached Annex vice an  
article in the Agreement (Reference Russian CSLA)
3. Appropriate for first agreement but not for a  
follow-on agreement
4. Reads more like a reporting cable instead of a formal  
agreement

government inducements, and unfair trade practices.

- b. To bring about entry in an appropriate manner, "the PRC shall take steps to ensure that providers of commercial launch services controlled by or operating within the territory of the PRC do not materially impair the smooth and effective functioning of the international market for commercial launch services."
  - (i) Among these steps, the PRC shall ensure that any direct or indirect government support extended to its providers of commercial launch services is in accord with practices prevailing in the international market.
  - (ii) The PRC shall require that its providers of commercial launch services offer and conclude any contracts to provide commercial launch services to international customers at prices, terms, and conditions which are on a par with those prices, terms, and conditions prevailing in the international market for comparable commercial launch services.
  - (iii) The PRC agrees that it will prevent its providers of commercial launch services from offering introductory or promotional prices for launch services except for the first or, in extraordinary circumstances, second successful commercial launch of a new launch vehicle. In this regard, promotional prices will not be offered for launches on the Long March IIIE or III under any contract other than the contract for the successful launch of the Ausat D-1 and D-2 satellites.
  - (iv) The PRC agrees to require its launch service of



- 3. Definitions are outlined within the text of the Agreement vice an Annex as in the China CSLA
- 4. Specifically does not limit communication satellites
- 5. In the PRC CSLA there is no comparable definition for "Chinese space launch service providers"
- 6. The emphasis here is "contract" vice "commitment" as outlined in the PRC CSLA

- 5. Outlines specifically PRC actions (PRC shall) vice "the Parties shall" as in the Russian CSLA
- 6. "Contract" is not defined in the PRC Agreement unlike the Russian CSLA
- 7. Pricing and terms that are "on a par" vice specific percentage as in the CSLA (Russian)
- 8. "Comparable commercial launch services" is not defined
- 9. "Promotional pricing" is not included in Russian CSLA



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International providers to offer international customers' any  
insurance or flight guarantees on a par with prevailing  
rates and practices in international markets for comparable  
4. market.

5. Is effectively removed from competition in the international  
market, or (ii) any such agreement or commitment.  
6. "Comparable commercial space launch services" means  
commercial space launch services offered to launch a spacecraft  
of the weight class that is the subject of a launch competition,  
taking into consideration specific factors that may be considered  
when valuating the price, terms and conditions of such services,  
including, but not limited to, intended orbit, risk management,  
financing, satellite lifetime in orbit and integration costs.

7. "Inducements" means any incentive offered or provided to  
influence the purchase of commercial space launch services,  
including, but not limited to, the provision of any resources or  
commercial value unrelated to the launch service competition as  
well as offers to participate under favorable conditions in the  
implementation of defense and national security policies and  
progress, and development assistance policies and programs.

8. 7. "Unfair business practices" includes the asking of any  
offer, a payment, a promise to pay, a promise or offer of  
anything of value or to authorize the payment or anything of  
value, or any promise to make such payment, to any official,  
individual, or any other entity for the purpose of obtaining or  
retaining business for or with, or directing business to, any  
person, including making payment to a person while knowing that  
all or a portion of the payment will be offered, given or  
promised, directly or indirectly, to any official, individual or

10. 11. → 8. ← 7.  
12. → 13. ← 14. →

In view of the concern about the launch services  
market expressed by several countries, the PRC expressed its  
understanding. The PRC explained that China has a limited  
capability of manufacturing launch vehicles. In addition to  
meeting the needs of domestic Chinese satellite launches, its  
providers of commercial launch services are only able to offer a  
limited number of communications satellite launches each year for  
international customers. Chinese launch services, therefore, are  
only a supplement to the world market, providing international  
customers with a new option.

After mutual and friendly consultations, the U.S. and  
the PRC agreed:

(i) PRC providers of commercial launch services shall  
not launch more than 9 communications satellites for  
international customers (including the two AUSAT and  
one ASIASAT satellites) during the period of this  
Agreement, and  
(ii) The PRC shall require that any commitments to  
provide commercial launch services to international  
customers by PRC launch service providers are propor-  
tionately distributed over the period of the Agreement.  
To this end, the PRC shall prevent a disproportionate

10. 7. "Comparable commercial space launch service" is unique  
to Russian CSLA in that it has definition. It is only  
mentioned in the PRC CSLA in Art II(b)(ii)  
8. "Unfair business practices" is not defined in the PRC  
CSLA

10. China is working on 5 new launch designs that may be used  
during the follow-on Agreement  
11. China shall not "launch" vice "contract for launch"  
12. Russian CSLA  
13. Specification of "a communication satellites"; a vice  
(Russian CSLA); emphasis on COMSATS; no exceptions  
mentioned; no mention of dual-manifesting  
14. "Proportionately, distributed" vice "no more than 2 per  
12 month period"

any other entity for the purposes of obtaining or retaining business.

9. "Geosynchronous earth orbit" means an orbit approximately 22,400 nautical miles (35,900 kilometers) above the surface of the earth at the equator in which a payload completes one Earth orbit in a 24-hour period, holding a fixed position relative to the Earth.

9. "Geosynchronous transfer orbit" means a temporary orbit used to reposition a spacecraft or satellite into a geosynchronous Earth orbit.

10. "Low earth orbit" means an orbit approximately 100 to 1,000 nautical miles (185 to 1,850 kilometers) above the surface of the Earth.

11. "Principal payload" means a telecommunications satellite or, in the absence of a telecommunications satellite, any other spacecraft or combination of spacecraft.

ARTICLE IX  
SCOPE

This Agreement applies to commercial space launch services for launches to geosynchronous earth orbit or geosynchronous transfer orbit. Except for the pricing provision set forth in Article V, Paragraph 2, this Agreement applies to commercial space launch services for launches to other orbits and suborbital launches. Nothing in this Agreement applies to launches of payloads for military purposes or for use in the non-commercial,

concentration of such commitments during any two-year period of the Agreement. The PRC may make commitments in any 3-year period of the Agreement consistent with subparagraph (1) above. The PRC shall also require that PRC launch service providers shall not consist at any time to launch in any calendar year covered by the Agreement more than twice the average annual number of launches permitted under subparagraph (1) above. The PRC shall seek to ensure that PRC launches of communications satellites for international customers are performed as scheduled in the original launch commitment.

16. → d. The U.S. stated that the U.S. does not provide government inducements of any kind in connection with the provision of commercial launch services to international customers which would create discrimination against launch service providers of other nations and has no intention of providing such inducements in the future. Accordingly, the PRC stated it is vital not to utilize inducements of any kind in connection with the provision of commercial launch services to international customers which would create discrimination against launch service providers of other nations.

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III. NON-DISCRIMINATION

1. The U.S. stated that U.S. providers of commercial launch services do not discriminate unfairly against any international customers or suppliers and that it is not U.S. Government policy

9. Definition given to CEO, GTO, LEO and Principal Payload.

10. Principal payload gives definition to other than COMSATS. It also recognizes the possibility of double manifesting.

11. Noted exception to the pricing standard (7.5%) for launches to other orbits and sub-orbital launches

15. "Anti-bunching" provision is different from that outlined in the Russian CSLA

16. This paragraph would be better stated as outlined in Article II of the Russian CSLA

17. In the Russian CSLA it indicates both "international customers" or "potential international customers"

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civilian space programs of either Party, including programs using  
spacecrafts or satellites made by and primarily for the use of  
members of the Commonwealth of Independent States and which are  
executed in accordance with existing cooperative agreements.

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### ARTICLE III

#### GENERAL PRINCIPLES

1. The Parties shall endeavor to ensure the application of market principles to international competition among providers of commercial space launch services, including the avoidance of below-cost pricing and unfair trade practices.
2. Neither Party shall engage in practices that distort competition among providers of commercial space launch services, including, but not limited to:
  - a. the provision of grants or subsidies that distort the production or operation costs for suppliers of commercial space launch services;
  - b. the provision of inducements to international customers or potential international customers for commercial space launch services;
  - c. the offering of additional services such as insurance or reflight guarantees except on a par with prevailing rates and practices in international markets for comparable risks;
  - d. the provision of government-supported financing for commercial space launch vehicles or services except in accord

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to encourage any such unfair discrimination by U.S. providers of commercial launch services.

2. Accordingly, in implementing its commitments under this Agreement, the PRC shall require that its providers of commercial launch services not discriminate unfairly against any international customers or suppliers.

#### IV. CONSULTATIONS

1. The PRC and U.S. will consult annually with regard to the obligations in this Agreement and related matters, including the nature and extent of direct and indirect government support provided to commercial launch services providers and developments in the international market for commercial launch services.
2. In addition, each Party shall make no later than consultations within thirty (30) days of a request by the other party to discuss matters of particular concern:
  3. During annual consultations, the limitation on the total number of communications satellites that may be launched by PRC providers of commercial launch services may be reconsidered upon request of the PRC in light of unforeseen developments in the commercial launch services market. A U.S. decision on such a request shall be made within thirty (30) days after the completion of the annual consultations.
  4. The U.S. and the PRC agree to work toward a common understanding of the application of market principles to prices, taxes, and conditions of commercial launch services for international

12. Unique provision to the Russian CSLA that specifically exempts payloads for military purposes, non-commercial civilian space programs, and satellite primarily to support the CIS.
13. Only statement of "on a par" in the CSLA

18. Special consultation isn't specifically called out except that each party undertakes to enter consultations within 30 days (unspecified in Russian CSLA) upon request
19. Russian CSLA is a clear formulation of the actions needed to increase the quota (Article VII (4). (Note emphasis on communication satellites in PRC CSLA.)

with the terms of the OECD's "Arrangement on Guidelines for officially-supported Export Credits."

2. The Parties, including their agents and instrumentality, shall not engage in unfair business practices to secure contracts to provide commercial space launch services. Each Party shall also endeavor to ensure that any entity or organization, subject to its jurisdiction whether or not owned or controlled by that Party, shall not engage in corrupt business practices to secure contracts to provide commercial space launch services.

#### ARTICLE IV

##### QUANTITATIVE LIMITS

- During the term of this Agreement, Russian space launch service providers may contract with international customers to provide commercial space launch services for the launch of up to eight (8) principal payloads (in addition to the INMARSAT 2 satellite) to geosynchronous earth orbit or geosynchronous transfer orbit, except that the Russian space launch service providers may not conduct more than two (2) such launches in any twelve-month period. The Russian Federation will ensure a proportionate distribution of contracts by Russian space launch service providers within any two-year period.
- Up to four launches of principal payloads to geosynchronous earth orbit or geosynchronous transfer orbit may consist of two principal payloads on a single launch vehicle.

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- To facilitate the annual consultations, the U.S. and the PRC agree to exchange information as follows:
  - The U.S. shall each year in advance of such consultations provide to the PRC such publicly releasable information as it possesses with respect to prices, terms and conditions prevailing in the international market for commercial launch services.
  - The PRC shall each year in advance of such consultations provide comprehensive information to the U.S. regarding prices, terms, and conditions offered by PRC providers of commercial launch services for the launch of satellites licenced by the U.S. The PRC may also provide other information that it believes may have a material effect on pricing practices of PRC providers of commercial launch services.
  - The PRC may request that the U.S. provide additional publicly releasable information with respect to international prices, terms and conditions, and may in addition request U.S. views regarding prevailing international market conditions and likely future developments, as well as government supports or inducements. The U.S. shall respond to such requests within thirty (30) days. If such information cannot be provided directly because of business confidentiality, the U.S. shall provide such information in summary form.
  - The U.S. may request additional information with respect to the prices, terms, and conditions offered by PRC providers.

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- Would this same provision referencing OECD's "Arrangement on Guidelines for officially-supported Export Credits" be applicable to a PRC CSLA?
  - In practice did each party provide information prior to the annual consultations?
  - Russian CSLA (Art VII(1)) provides a better formulation of how and when information should be exchanged
- Specifies 8 "principal payloads" to GEO vice COMSATS
- Exclusion of INMARSAT 3
- Anti-bunching provision
- Recognized possible double manifesting and allows up to four launches with two principal payloads each

of commercial launch services and any PRC government supports or inducements. The PRC shall respond to such requests within thirty (30) days. If such information cannot be provided directly because of business confidentiality, the PRC shall provide such information in summary form.

(e) The U.S. and the PRC shall keep all information received from each other under this paragraph strictly confidential and shall not provide it to any other government or any private person without the written consent of the other.

6. The U.S. and the PRC shall also provide each year, in advance of annual consultations information on a consolidated basis concerning the commitments their launch service providers have undertaken to provide commercial launch services for international customers. This information may be made publicly available.

7. If a launch of a communications satellite for an international customer will not be performed as scheduled, the PRC shall notify the U.S. regarding the reasons for the delay and the new date for the launch as soon as possible.

6. It is understood that the U.S. and the PRC will review the information contained in this Article during annual consultations in the context of developments in the international market for commercial launch services.

V. CLASSIFICATION OF RIGHTS AND OBLIGATIONS

1. If, after friendly consultations with the PRC, the U.S. determines that there is clear evidence that the provisions of

The Parties shall jointly evaluate each such launch on a case-by-case basis and, taking into account the current situation in the international commercial space launch market, may decide by mutual agreement to treat that launch as a single principal payload for the purpose of Article IV, paragraph 1.

20. During the term of this Agreement, Russian space launch service providers may contract to provide commercial space launch services for up to three (3) launches of satellites to low earth orbit for the Iridium system.

4. In the course of consultations under Article VII, paragraph 1, the Parties shall consider jointly on a case-by-case basis and decide by mutual agreement on proposals by Russian space launch service providers for commercial suborbital launches and additional commercial launches to orbits other than geosynchronous earth orbit, geosynchronous transfer orbit, and low-earth orbit for the Iridium system, where there are competing comparable commercial space launch services.

#### ARTICLE V PRICING

1. The contractual terms and conditions, including the price, of commercial space launch services offered or provided by Russian space launch service providers to international customers shall be comparable to the terms and conditions, including prices, for comparable commercial space launch services offered

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20. Exclusion of three launches of Iridium satellites to LEO

21. Unlike the PRC CSLA, this Agreement acknowledges LEO launches and treats them on a case-by-case basis

22. Important caveat that distinguish whether a LEO launch, will have to be addressed by both Parties

23. "Comparable commercial space launch services" is defined in Article 1.

22. Provision outlined in para IV(6) is not in the Russian CSLA

23. Provision outlined in para IV(7) is not in the Russian CSLA

this Agreement have been violated, the U.S. reserves its right to take any action permitted under U.S. law and regulations. The U.S. shall seek to avoid actions inconsistent with this Agreement.

2. With regard to export licences, any application for a U.S. export licence will be reviewed on a case-by-case basis consistent with U.S. laws and regulations. Nothing in this Agreement shall be construed to mean that the U.S. is constrained from taking any appropriate action with respect to any U.S. export licence, consistent with U.S. law and regulations. Nevertheless, the U.S. will do its utmost to assure, consistent with U.S. law and regulations, continuity of issued license(s) and the completion of the transactions covered in such license(s).

VI. DISCUSSIONS ON INTERNATIONAL RULES

The U.S. and the PRC are prepared to enter into discussions with other interested parties on comprehensive international rules with respect to government involvement in, and other matters relating to, the international market for commercial launch services. It is understood, however, that nothing in this Agreement shall prejudice any position on any issue that either the U.S. or the PRC may take in those discussions.

VII. COMPREHENSIVE REVIEW

The U.S. and the PRC shall engage in a comprehensive review of the terms and operation of this Agreement beginning in September 1991.

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ARTICLE VI  
TECHNOLOGY CONTROLS

1. Notwithstanding any other provision of this Agreement, the Parties shall negotiate and conclude prior to each launch a satisfactory technology safeguards agreement for each payload subject to a United States export license. Such technology safeguards agreement will be intended to facilitate the issuance of United States export licenses and shall include requirements relating to the control of the transfer of missile technology.
2. Any application for a United States export license will be reviewed on a case-by-case basis consistent with United States law and regulations. Nothing in this Agreement shall be construed to mean that the United States is constrained from taking appropriate action with respect to any United States export license. The United States will use its best efforts to assure, consistent with United States law and regulations,

by commercial space launch service providers from market economy countries, including the United States.

3. A bid or offer by Russian space launch service providers to provide commercial space launch services at a price more than seven and one-half (7.5) percent below the lowest bid or offer by a commercial space launch service provider from a market economy country, including the United States, shall require special consultations between the Parties under Article VII, paragraph 2, of this Agreement.

24.

ARTICLE VI  
TECHNOLOGY CONTROLS

1. Notwithstanding any other provision of this Agreement, the Parties shall negotiate and conclude prior to each launch a satisfactory technology safeguards agreement for each payload subject to a United States export license. Such technology safeguards agreement will be intended to facilitate the issuance of United States export licenses and shall include requirements relating to the control of the transfer of missile technology.
2. Any application for a United States export license will be reviewed on a case-by-case basis consistent with United States law and regulations. Nothing in this Agreement shall be construed to mean that the United States is constrained from taking appropriate action with respect to any United States export license. The United States will use its best efforts to assure, consistent with United States law and regulations,

24. Para VI is unique to the PRC CSLA

24. 7.5% vice "on par" outlined in the PRC CSLA

25. Technology Controls is unique to the Russian CSLA and calls for the development of a technology safeguards agreement. It also outlines provisions for the review of each export license.

authorization and completion of technology transfers subject to this Agreement.

ARTICLE VII

CONSULTATIONS

1. The Parties shall hold regular consultations on an annual basis to review and examine implementation of the Agreement and market developments in commercial space launch services.
2. The Parties shall hold special consultations on an urgent basis, prior to the conclusion of a contract for commercial space launch services if possible, at the request of either Party, if that Party has reason to believe that such contract or pending contract is inconsistent with the terms of this Agreement.

3. If, after consultations provided for under this Article, either Party determines that the provisions of this Agreement have been violated by the other Party, each Party reserves its right to take any action permitted under its national law and regulations.

4. If, in the course of the annual review provided in paragraph 1 of this Article, the Parties agree that the market for commercial space launch services has developed more favorably than anticipated and if each Party is satisfied with the other Party's compliance with terms of this Agreement, the quotes set

VIII. ENTRY INTO FORCE

This Agreement shall enter into force upon notification by the Government of the United States of America to the Government of the People's Republic of China that a U.S. license for the export of the ASIASAT or AUSSAT satellite(s), or any other satellite, to the People's Republic of China for launch therein, has been approved. Unless extended by agreement of the PRC and the U.S., this Agreement shall terminate on December 31, 1994. It may be terminated at any time by mutual agreement if supported by an international agreement on government involvement in, and other matters relating to, the international market for commercial launch services or under such other circumstances as may be mutually agreed.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement, Dated at Washington, D.C., in duplicate, in the English and Chinese languages, both texts being equally authentic this twenty-eighth day of January, 1989.

For the Government of the  
United States of America:  
*John R. Hanson*

For the Government of the  
People's Republic of China:  
*Jia*

25. Special note of "special consultations". No time specified as in the PRC CSLA, but noted: "on an urgent basis."
26. Both the Russian and PRC CSLA make provisions to change the quotas. The notification and implementation however, are characterized differently.

25. Entry into force is based upon notification of license approval vice upon signature as outlined in the Russian CSLA
26. Agreement may be "terminated at anytime" vice a review three years after signature and then possible termination as outlined in the Russian CSLA

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North in Article IV of this Agreement may be increased, by written agreement of the Parties.

**ARTICLE VIII**

**INTRODUCTION PROVISIONS**

1. The Parties shall exchange all information, including prices, terms and conditions offered for commercial space launch services, that is necessary to monitor implementation of the Agreement and carry out regular and special consultations. Such information shall be provided promptly, in any case no later than 30 days after receipt of a request by the other Party for such information, except that such information need not be provided prior to bids for commercial space launch services.

2. Parties shall protect the confidentiality of information exchanged, shall not use any such information for pecuniary gain and shall not release such information to third parties.

**ARTICLE IX**

**TERM AND REVIEW**

1. This Agreement shall enter into force upon signature and remain in force until December 31, 2000.

2. The Parties shall review the implementation of this Agreement after three years from its entry into force. Following such review, the Parties may, by mutual written agreement, terminate this Agreement.

28. Article VIII is unique to the Russian CSLA  
 29. Agreement shall enter into force "upon signature" vice notification or license approval as outlined in the PRC CSLA  
 30. Agreement may be terminated after three years (mutual agreement) vice "terminated at anytime as outlined in the PRC CSLA

27. Annex of Definitions vice embodied in the text of the Agreement as in the Russian CSLA  
 28. Russian CSLA reads "... refers to any commercially offered or provided ... including but not limited to.  
 29. The PRC CSLA again emphasizes COMSATS. Absent from the PRC CSLA is a definition of "launch service providers."

27. The following agreed definitions constitute an integral part of the Memorandum of Agreement Between the Government of the United States of America and the Government of the People's Republic of China Regarding International Trade in Commercial Launch Services, of January 26, 1989.

28. →  
 1. The term "commercial launch services" refers to any commercially provided launch of any satellite, including communications satellites, for an international customer.

29. →  
 1. The term "communications satellite" refers to any satellite which is a primary payload of a launch, and which provides telecommunications services. It refers primarily to, but is not limited to, communications satellites in geostationary orbit.

ARTICLE X

1. The term "international customer" refers to the following:  
 (a) any institution or business entity, other than those institutions or entities located within the territory of the PRC and owned or controlled by PRC nationals; or  
 (b) any government other than that of the PRC; or  
 (c) any international organization or quasi-governmental consortium;

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3. Either Party may request negotiations to amend the terms of this Agreement to take account of developments in the international market for commercial space launch services and progress in the transition of Russia's space launch sector to a market basis.

4. Any contract entered into pursuant to this Agreement will continue to be subject to the provisions of this Agreement even if the duration of the contract extends beyond the expiration date of this Agreement. Termination of this Agreement will not affect contracts entered into pursuant to this Agreement.

DONE at Washington this second day of September, 1993, in duplicate in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF  
THE RUSSIAN FEDERATION:

FOR THE GOVERNMENT OF  
THE UNITED STATES OF AMERICA:

30. →

4. The term "practices prevailing in the international market" in Article II (b)(1) refers to practices by governments of market economies.

5. The term "prices, terms, and conditions prevailing in the international market for comparable launch services" in Article II (b)(1) includes but is not limited to prices, financing terms and conditions and the schedule for progress payments offered to international customers by commercial launch service providers in market economies.

6. Government "inducements" with respect to particular launch services transactions include, but are not limited to, unreasonable political pressure, the provision of any resources of commercial value unrelated to the launch service competition and offers of favorable treatment under or access to: defense and national security policies and programs, development assistance policies and programs, and general economic policies and programs. (e.g., trade, investment, debt, and foreign exchange policies).

31. →

7. The term "commitment" means any agreement by an international customer with PRC providers of commercial launch services to launch a communications satellite, which effectively removes the

30. "practices prevailing in the international market" vice "comparable commercial space launch services" as outlined in the Russian CSLA

31. Different term "commitment" vice "contract" as outlined in the Russian CSLA. Commitment goes so far as explaining that it does not include launch reservation agreements

launch from international commercial competition. The term  
"commitment" does not include reservation agreements.

32. 

32. There is no definition of "Geosynchronous earth orbit", "Geosynchronous Transfer Orbit", "low earth orbit" or "principal payload"